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ABSTRACT

The development of a self-correcting planning system at The National Technical Institute for the Deaf (NTID) is discussed. A committee was formed to review the present planning, budgeting, and monitoring (PBM) procedures and make recommendations for improvements. The committee was charged with eight questions about the present system, applicable to any organization reviewing its planning system. Interviews were conducted with administrators, faculty, and staff regarding the existing PBM system. Through its investigation, the task force highlighted 13 problem areas in the PBM process, and forwarded recommendations to the college's planning staff, which developed objectives and activities to address the recommendations. Recommendations concern the following: individual role clarification, integrated planning across programs and divisions, feedback regarding decision criteria and rationale, training in PBM processes and use of forms, sufficient time for planning, and review of contents of reports and forms. A PBM Manual, including an overview of the planning process, was developed and distributed to each administrator. (SW)

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A CASE STUDY:

Methods for Designing a Self-Correcting Planning System

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THE ASSOCIATION FOR INSTITUTIONAL RESEARCH

This paper was presented at the Twenty-Fourth Annual Forum of the Association for Institutional Research held at the Hyatt-Regency in Fort Worth, Texas, May 6-9, 1984. This paper was reviewed by the AIR Forum Publications Committee and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC Collection of Forum papers.

Daniel R. Coleman, Chairman
Forum Publication
Advisory Committee

A CASE STUDY:
METHODS FOR DESIGNING A SELF-CORRECTING PLANNING SYSTEM

Planning systems in postsecondary institutions are most frequently modified or replaced on a reactive basis, such as when a problem surfaces or a new fashion comes along. What is needed is an institutionalized process of evaluation and adjustment to such systems before a crisis arises. In view of the fact that planning and budgeting do not occur automatically and that accomplishing those require time and effort, there is a need to step back from such work and ask whether it is worth the time and effort that educators spend on it. By critically evaluating the Planning, Budgeting, Monitoring (PBM) process, ways may be found to improve it.

Conceptualizing and outlining the basic steps toward a self-correcting planning system is straightforward. Converting the outline into reality is a different matter. Nonetheless, just such an effort was recently undertaken in a medium size non-profit organization, The National Technical Institute for the Deaf (NTID) at the Rochester Institute of Technology.

THE ORGANIZATION

The National Technical Institute for the Deaf is a federally funded public institution that was founded to provide postsecondary technical education to hearing-impaired youth in the United States. NTID, one of nine colleges of the Rochester Institute of Technology, has a student body of 1,260 students and an operating budget of $32.7 million dollars. It employs approximately 550 full and part-time faculty, staff, administrators, and support

personnel. NTID receives 85 percent of its funds through the Department of Education, with the balance of its budget coming from tuition and fees.

It would be helpful here to understand the operational structure of NTID. The director of NTID is first a vice president of RIT. Reporting directly to him is the dean who is responsible for the direction of the academic programs. The dean also has a dual reporting responsibility to the vice president for academic affairs of RIT. In addition to the dean, the director also has reporting to him an associate vice president for RIT who is responsible for the "support services" activities such as admissions and placement, media development, management services, planning, and finance. The key point is that the planning and budgeting functions of NTID, while linked in practice, are implemented on a decentralized basis from the planning and budgeting offices of RIT.

The history of NTID indicates that the planning and budgeting systems have been very effective. Throughout the 1970s NTID received the funds necessary to support its students and programs and to accommodate an ever increasing population of hearing-impaired individuals interested in postsecondary technical education. During this period of time, NTID received a full allocation of funds to the levels requested in the yearly budget submissions.

The success that NTID has experienced in securing funding is tied directly to the philosophy of the administration in its approach to planning and budgeting. That philosophy dictated that the requests for funding be tied to specific plans and that the institution would not ask for more funds than were needed to meet its mission. To enact this policy, a planning and budgeting system was established, where each division would prepare detailed program plans

and line item budget requests. Each division would have to defend its plans and budget before an internal committee made up of executive administrators. Items that were not tied to priorities were removed from individual budget requests and the division would have to re-evaluate the activity and wait until the next budget cycle the following year.

An additional complicating facet of the NTID planning and budgeting system was that requests for funds needed to be submitted within the timeframes of the Federal budgeting calendar which required that plans and budgets be submitted 16 to 18 months in advance of the start of the fiscal year for which the funds were requested. This required that the planning and budgeting process actually begin 20 to 22 months before the plans would be implemented. As a result, managers worked with as many as three separate fiscal year periods at any given point in time. The multiple year budgeting/monitoring process was cumbersome and resulted in some dissatisfaction on the part of the participants. The successful record of securing funding, however, reduced any widespread call for a change in procedures.

THE ENVIRONMENT

Often the impetus for change comes from outside an organization. NTID is no exception. In 1981 NTID was informed that budget appropriations for the next three fiscal years 1982, 1983, 1984 were to be leveled at the 1982 appropriation amount. This decision caused a double impact. First, the obvious effect of inflationary pressures on the budget meant that this was in reality a substantial budget decrease in 1983 and 1984; second, NTID was to experience a 25 percent increase in enrollment in 1984. It was the classic dilemma in that NTID was being asked to accommodate an increasing student

population with reduced funds. This resulted in the necessity for some very difficult decisions as to what programs would be supported and what would have to be eliminated or reduced.

In a period of shrinking fiscal resources, organizations tend to manage budgets on a more centralized basis. This results in a high level of interest as to how funds will be allocated. NTID managers began to express concerns that the present planning and budgeting system generated a great deal of paperwork that they perceived to have little impact on establishment of programming and financial priorities.

During this time, NTID hired a new dean to oversee the academic programs. This individual brought a different perspective to the planning and budgeting process for NTID and instigated a fresh look at the present PBM system. It became increasingly clear that the way things "had always been" was not going to be good enough for the future.

FORMATION OF THE PBM TASK FORCE

The administration of NTID had to respond to the many concerns raised about the present PBM system. A committee was formed to review the present procedures, evaluate their effectiveness and efficiency, and make recommendations as to improvements that should be implemented.

This step in the evaluation process was perhaps the most critical. The selection of the individuals who made up the committee would in a large way determine how the recommendations would be accepted. It was decided that the members would come from various levels of the organization and represent the differing philosophies of the various divisions. There would need to be individuals from RIT who were affected by the operations of NTID.

An eight member committee was formed, along with a graduate student for support. Instructional programs carried the same representation as administrative divisions. This was critical to assure that the divisions that were responsible for implementing the planning procedures had a direct role in evaluating the present system and making recommendations for improvements. Since most committees in education tend to be held in low esteem, how successful or effective a task force is could depend on staff members' perceptions and attitudes toward such a group and its operations.

Another key to the success of the efforts of this committee can be attributed to the integrity of the individual members. The participants must have an organizational perspective that is not clouded by "hidden agendas" or problems that relate to their individual area of responsibility. Given this, a committee will be able to objectively review all aspects of the present PBM process and come up with the "best" alternatives.

A final note about the formation and operation of a PBM committee: deliberations and review must take place without the outside influence of any individual or division. Each member must understand that opinions expressed by individuals will not be shared outside the group (except for formal reporting) and that administrative officers of the institution believe in the committee and support its activity.

CHARGE TO THE COMMITTEE

One factor that can hobble committee work is a vague, open-ended charge. In order to eliminate that possibility, the dean and associate vice president for NTID devised a formal charge to the committee. The charge took the form of eight questions addressed to this committee about the present system.

These questions are applicable to any organization that wishes to review its planning system.

1. To what extent do currently employed PBM processes facilitate or inhibit accomplishment of the following objectives?
   A. Production of a strategic plan and budget to satisfy requirements of the organization both internally and externally.
   B. Production of the operational plan and budget detailing objectives, outcomes, and expenditure for the coming year.
   C. Monitoring the objectives, outcomes and expenditures of the current operating year.
2. Are the stated operating principles of the planning system being followed?
3. Are the PBM processes effective and efficient as they relate to the needs of internal and external groups?
4. Which aspects of the PBM processes need to be modified? What specific suggestions can be made for improvement?
5. What faculty and staff training efforts need to occur to ensure effective understanding and use of the PBM process?
6. Is the PBM process useful in influencing organizational behavior and change?
7. What can be done to gain participant commitment to active participation and use of the results of the PBM system? Recommendations should reference "levels" within the organization, e.g., faculty/staff, department chairpersons, division directors, etc.

8. What are the "appropriate roles" for faculty, staff, and administrators in setting planning assumptions, guidelines, and strategic objectives as a basis for budget building?

James Duran explains that "energetic, concerned faculty members, in time, come to regard as futile any hard committee work when the end result is too often inaction or delay."[1] The surest way to avoid this inactivity is to clearly set the objectives at the start of the process through a clear and specific charge.

METHODOLOGY FOR THE TASK FORCE

The committee met with the individuals who submitted the charge for review and clarification to ensure that the committee's interpretation was correct and to eliminate any misunderstandings before work began. The subject of the procedures to be used in a PBM systems can be volatile as it tends to assign tasks and fix responsibilities to individuals. If those affected individuals do not agree with committee recommendations, they can try to disavow them by saying they do not properly reflect the charge that was given to the committee and therefore are not valid. The process of the upfront "buy off" will avoid this and build receptivity to the final report.

With the charge to the committee being firmly established the committee set about defining the factors that they felt were critical to a successful PBM process. It was felt that the process should be one that:

- is flexible
- involves appropriate personnel
- is externally and internally effective
- provides needed information to planners

- is based on a clear set of institutional goals

- trains individuals in how to use/access the system

With these ideas in mind the committee next called in experts to answer questions and express opinions as to the various aspects of successful and useful PBM systems. This committee called upon the dean of the RIT College of Business; a partner with a "Big 8" accounting firm that specializes in the operation of postsecondary educational institutions; and the director of NTID's Department of Institutional Planning and Research. These individuals reviewed the charge to the committee and commented about the proposed methodologies for addressing the charge. They also provided insights as to what works and what doesn't work in this kind of organization.

The committee then decided which populations of the institution would be able to provide input relative to the charge. Three groups were identified to participate in the process: NTID academic administrators, faculty and staff, and RIT administrators.

The task force agreed that a critique from a large sample of individuals within the organization would supply a useful data base regarding the merits and shortcomings of the existing PBM system.

After reviewing the positive and negative aspects of various methodologies, it was decided to use the structured interview process as the primary data collection mode.

The committee collectively developed questions to be used in the interviews. Three sets of interview questions were used, one for each of the groups to be interviewed. The open ended interview instrument addressed the concerns in the original charge to the committee.

A stratified sample was used to select interview participants. The sample consisted of 100 percent of the NTID personnel level of assistant/associate deans and directors. Fifty percent of NTID's chairpersons and managers were also included. In addition eight instructional staff members of NTID and seven administrators of RIT colleges were asked to participate.

Questionnaires in hand, the committee set about performing the interviews. The responses were summarized through the perspective of the eight questions in the basic charge to the committee. The committee reviewed this summary and made appropriate adjustments.

With this information, the committee developed a set of recommendations for modifying and improving the present PBM system. The recommendations, while specific and to the point, did not attempt to provide specifics as to implementation. This was to be the responsibility of the Planning and Finance offices of NTID.

REACTION TO THE REPORT

Reaction to the report was varied on the part of the administration. There was no question as to the thoroughness of the committee's work and the methodologies that were followed. However not all aspects of the report were greeted enthusiastically. This was to be expected, as there were negative statements made about how certain areas of the organization did not effectively follow or communicate the operations of the present PBM system. While names were not mentioned, it was obvious that policies of particular administrators were perceived as inhibiting the success of any PBM system that was proposed.

As a reaction to this, initial attempts were made to discard some of the committee's evaluation and recommendations by challenging the success

in answering the original charge. The efforts at the beginning of the process in defining the aspects of the original charge protected the integrity of the report. A series of meetings were held to clarify the various aspects of the report. It is critical to point out that after this series of meetings the administration DID make a commitment to utilize the information and recommendations of the task force. Without forward-looking management attitudes, which NTID administrators clearly exhibited in this case, a committee's efforts will be futile.

When the committee's work was completed a report was turned over to the Planning and Finance office for implementation.

Planning Guidelines for Implementing Task Force Recommendations

Through its investigation, the PBM Task Force highlighted 13 problem areas in the PBM process and made appropriate recommendations. These recommendations were forwarded to the college's planning staff, made up of the directors of Finance and Planning and Evaluation. The planning staff then developed objectives and activities to address the majority of the recommendations. A few of the recommendations could not be dealt with directly and either were re-directed to other offices or earmarked for future consideration.

Throughout the revision of the PBM process, the planning staff worked within what was labeled the three "Cs" of Institutional Planning. First, the PBM process had to be cooperative - encouraging individual participation in the planning process from the smallest organizational unit to the largest. As Van Ausdle found in his study of successful planning systems, one key prerequisite is broad participation.[2] Each person should aid in developing the plan and also feel ownership toward the planning process. In addition,

cooperation and participation had to be built in across organizational units. Second, the PBM process had to be concrete - resulting in plans and budgets that emphasize specific measurable outcomes. The planning process had to encourage thoughtful consideration among the managers who would provide them necessary information to support their budget requests to the federal government. Third, the PBM process must be a cyclical process of developing, monitoring, updating, and refining the tactical and strategic plans with deliberate use of essential data as the basis.

In addition to these conceptual and theoretical assumptions, the planning staff had three real outcomes that set the context for the PBM revisions: to produce a plan and budget, to implement the plan and budget, and to appraise the effectiveness of the plan and the planning system.

Considering a system as a set of components so related and organized as to attain the ends for which the system is established, we can refer to planning as a system. The "set of components" in the system is the process for providing profiles and budgets and the "ends" of the system are the federal budget and plan and the broad institutional goals for NTID's population.

As the literature on planning and Van Ausdle's study show, successful planning depends on several prerequisites: top level leadership commitment, development of planning procedures and schedules, broad participation, and adequate attention to pre-planning activities. Van Ausdle proposed that (1) planning should not be separated from decision-making; (2) planning should be both long and short range; (3) it should result in a budget and reflect the goals of the institution; (4) it should be information-based and provide a means for evaluation.[3]

With those guiding assumptions, the planning staff began to address the recommendations of the Task Force that dealt with both the process and products of planning. In general, the planning staff put its efforts into improving the planning process, although they did make some revisions to the forms used to develop the products. The assumption was that by establishing commitment to the planning process, the by-product would be improved plans.

Strategies to Respond to Recommendations

The following sections identify the major recommendations from the Task Force and the strategies the planning staff used to address them. In essence, the planning staff considered the basic planning assumptions and intended outcomes for the process, the goals of the organization, the recommendations from the Task Force, and the expertise of its own members in establishing an institutional approach to planning. Additionally, the planning staff was mindful of the fact that "the permanent integration of a reform into an institution usually necessitates a degree of compatibility with existing practices sufficient to permit accommodation between the new and the old."[4] Most of these recommendations would be applicable to any organization that is concerned with operating an effective and efficient planning system.

1. Clarify Individual Roles and Responsibilities

A basic planning assumption accepted by the planning staff and executive administration was to involve every member of the staff and faculty in the planning effort in some appropriate manner. Faculty and administrators from all levels want to be involved in making decisions about the operation of

the institution. The challenge to the planning staff was to develop appropriate means of involvement. To that end, three major strategies were incorporated into the planning process.

First, college-wide staff meetings were held to describe the planning process, the calendar, and its outcomes. The literature supports the idea that success of a planning system hinges on the support and involvement of the CEO. If planning is to be done effectively, the CEO must begin the process. Therefore, it was imperative that the chief executive of NTID initiate the process to demonstrate that planning is important and that this process had the support of the top executive. This message was emphasized during all communications with the staff.

Second, an Activity Plan form, (Figure 1) was provided for individuals to plan their work and to use as input in developing department plans, since another objective of the planning process is to increase the level of influence of the staff and faculty in the planning process. This procedure outlined a cooperative approach for establishing departmental and divisional objectives and outcomes that defined appropriate roles and responsibilities in the planning process. Remembering that only operating people can plan, the planning office acts as a catalyst, guide, and assistant. The expectation is that every manager must plan.

Third and most important, the question of authority for setting budget controls had to be clarified. Budget control figures were established by executive management and given to the line managers as baseline figures within which to conduct their planning and financial projections.

NTID ACTIVITY PLANS

Division _____ Dept. _____

Activity Title Initiation FY _____

Activity Leader Team Members (if appropriate)

Current Situation and Needs

Objectives

Outcomes

Figure 1

2. Integrated Planning Across Programs and Divisions

The Task Force found a lack of cooperative planning across divisions, even of those that were affected by the work of others. To alleviate this problem and develop better coordination, interdivisional planning meetings were held during which users of college services had to formally communicate their needs to the service units. Additionally, each division had to share final plans and decisions about services that were to be provided.

As in previous years, a "Guidance Paper" was developed by executive management to avoid isolated planning by divisions, to establish a sense of direction for the college, and to provide a rationale to which decisions could be related and against which progress could be measured.

3. Feedback Regarding Decision Criteria and Rationale Must be Assured Throughout the Organization

Managers often felt that the plans and supplemental information that they submitted were not used by upper management. Additionally, they complained about a lack of feedback regarding their input in final decisions. The objective, then, was to better utilize the information generated in the PBM process during decision making and provide necessary feedback to line managers. Therefore, college-wide staff meetings were also held at the end of the planning cycle to communicate final decisions and rationale back to the staff.

4. Training Must Be Provided on PBM Processes and Use of Forms

Both the planning staff and the line managers wanted to increase staff members' knowledge and understanding of the PBM process. Two concepts supported training efforts. First, major change efforts often fail because not enough time and effort were invested in them. And second, that change should be

thought of as skill-building -- concentrating on training as part of the change process.[5] The planning staff held training/work sessions for all managers, department chairs, and other administrators. A unique aspect of the training sessions was that the planning design and procedures were not solidified in advance. A draft manual of the PBM process and procedures was used during the training sessions and reactions and suggestions from the participants were elicited. Many of the suggestions were later incorporated into the revised planning process. This review and critique not only gave the planning staff additional information to refine the process, but also was important in establishing psychological ownership of the PBM process by the staff. It is recognized that the foundation of an effective planning system is commitment from those who implement the plan. In addition, the training sessions, which were organized by divisions, used examples of objectives and planned outcomes drawn from within the specific content areas of that division.

The training sessions had four objectives: that managers understand the assumptions guiding the planning process; that they be able to use the planning forms in the Manual to develop a profile for the unit; that they understand the linkage between the PBM process and the development of the strategic plan; and that the staff feel ownership of the PBM process. The training sessions were, therefore, both input and output oriented. The training helped individuals understand their roles and responsibilities in the process and promoted an institutional perspective for line managers, while at the same time establishing consistency across divisions.

5. There Must Be Sufficient Time for Planning

In many institutions, lack of time to plan obscures the fundamental goals and processes of planning, frequently reducing the process to a series of rapid-fire decisions on immediate problems. To avoid that, a calendar was developed with input from upper administrators. The planning process began earlier in the year to allow time within the planning calendar for feedback regarding decisions and adequate time for meetings. Key checkpoints and planning decisions were built into the calendar and the planning staff provided follow up to keep the process on target.

6. Contents of Reports and Forms Must be Reviewed. But Continuity of Forms Must be Assured From Year to Year.

The formats for individual, department, and division plans were carefully reviewed and streamlined, eliminating excess detail and duplication. The heart of the planning process is development of Mission Profiles, for which each administrator is held responsible. A profile is a brief document that projects specific outcomes for a department each year. To be more efficient, the outcomes can be translated into statements of expectations for individuals within the department. The profile also can be used as a reporting document to monitor the status of activities.

An organizing taxonomy of major institutional processes was developed to assist departments and divisions in writing their profiles. This taxonomy, which is derived from the mission of the college, identifies and defines major institutional processes such as Instruction, Research, and Training. Each unit groups its planned outcomes toward the accomplishment of these processes. The department profiles are then synthesized into division profiles

and eventually into an NTID profile that becomes part of the RIT and federal government plan/budget submission.

A PBM Manual, including an overview of the planning process, directions, and forms for developing plans, was developed and distributed to each administrator when all the training sessions were completed. The PBM Manual, in looseleaf form, is updated after each evaluation and serve as a reference for managers during the yearly planning/budgeting cycle.

Evaluation

Although only time will determine how successful NTID's revised planning system will be, enough time had to be allowed for change to take hold. Recognizing that there is no substitute for time, the planning staff scheduled a formative evaluation of the PBM process at the close of the first year. The major purpose of this evaluation was to assess the effectiveness of the revised PBM process by describing staff perceptions (attitudes) and satisfactions toward this process. Effectiveness is measured not only by the quality of materials produced, but also by the impact the PBM system has on people. The second purpose of the study was to delineate factors that affected or influenced staff perceptions about the PBM process.

Summary

Hundreds of staff hours have already gone into the revision process. and a concerted effort was made by task force members and the planning staff to involve all affected parties. Additionally, top management displayed its unconditional support for the project through its authorization of needed resources, including both time and dollars. The necessary ingredients for

success have been present throughout this endeavor. These include the solicitation of staff input during the design and development stage, support by executive management, and ample time and resources to complete and implement change. The results of the formative evaluation suggested that faculty and staff had overall satisfaction with their level of involvement in planning, but would like more involvement in budgeting. The PBM revisions were seen, on the whole, as moderately successful. Opinions were split as to the utility of the interdivisional planning. The revised Manual was seen as useful. Although there was general indifference toward training efforts, the consensus was that training be provided for new administrators. However, an analysis of department profiles showed the majority followed the PBM format. Finally, the calendar was given modest support as allowing sufficient time for planning.

The second year of the PBM system saw minor changes in the process and is also being followed with a formative evaluation.

Footnotes

[1]James A. Duran, "The Role of Committees" Improving College and University Teaching, v. 22 p. 127-128 (Spring 1974).

[2]Steve L. Van Ausdle, "An Approach to Comprehensive Institutional Planning for the 1980s", April 1980, AERA paper, ED 184623.

[3]Steve L. Van Ausdle, "An Approach to Comprehensive Institutional Planning for the 1980s", April 1980, AERA paper, ED 184623.

[4]James Miller, "Strategic Planning as Pragmatic Adaption," Planning for Higher Education, 12:1 Fall 1983, p. 41-47.

[5]Terrence Deal and Allan Kennedy, Corporate Cultures, (Reading, Mass: Addison-Wesley Publishing Company, 1982).

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